CEOCFO: Mr. Braun, what is the foundation and concept at Convaid?
Mr. Braun: Convaid produces custom-made, lightweight wheelchairs specifically for kids. The products have a design similar to commercial strollers with bright colors, textures and accessories that are friendly to kids in terms of their design and appeal. They have a very clinical function, but they appear to be a commercial stroller with numerous positioning benefits and several different functions assisting with the stability of the child. In summary, the product is similar to a very complicated wheelchair which happens to have the appearance of a stroller. We design our wheelchairs to be lightweight, convenient and compact folding, having a fun appearance, yet remaining appropriate for kids.

CEOCFO: How are you able to accomplish that in the larger sizes?
Mr. Braun: I think what makes that transition work from size to size is the fact that with the larger sizes, we are able to accomplish essentially the same seating and positioning with them, but design them in a way that makes them appropriate for taller and older kids. We will even go as far as changing some of the fabrics and designs to make them more appropriate for a teenager, as opposed to a toddler. This is accomplished through product customization and the use of a variety of materials and colors. We strive to make our product much more appealing to an older audience as well.

CEOCFO: Are there many companies in the space that focus the way you do?
Mr. Braun: There are very few companies focusing on their product the way we do. The business itself is fragmented, and the general wheelchair market is a huge market with the pediatric piece being

“Our mission includes helping others, improving children’s lives and creating better mobility for people with disabilities. We enjoy making great products and being innovative with the design, but ‘community’ is paramount to our organization.” - Chris Braun

Chris Braun
CEO

Convaid
For more information visit: www.convaid.com
Contact: Chris Braun
(310) 618-0111
info@convaid.com
substantial, but there are so many segments of it with a lot of fragmentation in the competitive portion of it. Our niche specifically is custom products and quick turnaround. We produce these products in Torrance, California to your specifications within three to five days.

CEOCFO: Does the doctor specify? How do you know what you need to build?
Mr. Braun: There are actually four stakeholders in this process. The first is obviously the end user which is the child, or adult in need of the wheelchair. The second stakeholder group is the therapist, doctor, and the clinician. They are the ones who actually specify the product from a functionality standpoint, and determine whether the product should have tilt or recline, and they insist that the wheelchair is engineered with these dimensions, along with specific accessories to assist the child or adult with their disability. They also create the written specifications to determine which product would best suit the needs of the individual. The third stakeholder is the distributor or durable medical equipment dealer. These individuals are in mobility and complex rehab industries, and are ultimately the ones who would be the transaction side for us. We do business with them, and they work with a therapist, and the therapist in turn works with the end user. Last, but not least, the payer in most cases is the insurance company and/or state or federally funded programs such as Medicaid, Medicare, etc.

CEOCFO: Is it a challenge to get Medicaid to cover the cost because it looks nicer?
Mr. Braun: The biggest challenge within the industry which we encounter today is the reimbursement system. Unfortunately, the current system is reimbursement based on amounts dated back to 2006. For the last eight years, there have been no increases in reimbursement amounts. As an example, a product reimbursement in 2006 might have been $1,500 for a certain category of product. Today, with inflation and rising costs of insurance, we are still receiving the same $1,500 reimbursement. What we’ve had to do as an organization is really work on our processes, production, and efficiencies regarding how we build the product in order to offset and overcome the fact that there have been many increases, and we have had to offset those increased costs with efficiency improvements. Is this amount substantial enough to pay for the product? In some cases the answer is yes, while in other cases the answer is no. Some of the products we sell are in a very low margin, and others are in a decent margin. This all depends on what the reimbursement and code is for that particular product. Each product sold has a specific code and requirement and adheres to a code in order to be sold within its reimbursement potential. For example, we are launching a brand new product right now that first went through FDA certification to get the product classified as a Class I, 510k device. Once you have that approval, you submit to PDAC to request the product submission under a certain code. Once approved, your product can be reimbursed. Medicaid is trying very hard to drive the reimbursements down every step along the way, and many of these products have gone into “competitive bidding”. This is not good for the industry, manufacturers, or users of the products because it has really stripped the products of most things which assist the individuals to begin with.

CEOCFO: Why is it important for the parents and kids to have something that is stylish and fun?
Mr. Braun: Typically, the users of these products are very much wheelchair bound, meaning that they spend the majority of their day in a
wheelchair, therefore, this product needs to be very functional and medically appropriate for their child, but the appearance and comfort is very sensitive and very critical to the experience of the user. If you can imagine being in a wheelchair every day for the entire day, it becomes quickly apparent how important it is to have a product that not only functions well, but is also comfortable, appealing and pleasing to be in. This becomes almost an extension to the child, so the look, appearance and function are very critical to these products. We must also consider that the parent is also very much affected by this, so we build a lot into it for the parent or the caregiver, such as the compact folding, convenient and lightweight design, so it is easily transported and put into the trunk of a car or taken up a flight of stairs. We have to consider all these things for the children and caregivers as we design our products.

**CEOCFO:** How do you test so that there will be no recalls three years later? How do you ensure safety?

**Mr. Braun:** There are a number of standards that you have to meet, from a testing standpoint that are mandated through organizations like the FDA, but more importantly, Convaid has its own rigorous internal standards which exceed those of the federal requirements. We perform additional quality and fatigue tests in-house to ensure the quality of our product. We crash test our products as well, even though these standards are voluntary. We also perform fatigue simulation, and this ensures that the product has longevity and is durable enough to withstand use every day. An industry standard might be 40 hours of continual testing on a double drum tester, or so many cycles or revolutions. We have actually gone through testing twice the standard requirements. On any of the products that Convaid produces, you have the assurance that the product has not only been conforming to what the industry standards are, but that we have doubled that expectation and put that pressure on ourselves to build to twice the standard. We ensure this through our quality process and controls. We do a lot of sample and random testing on products that come off the production line, and we have built quality into the process of how we manufacture the product. At every step of the way, we have documentation, inspection approvals, pre-production approvals, in process approvals, and finally, you have quality control which is happening through the assembly and final building process. The bulk of our organization stays focused on quality, and quality is built-in to the culture and processes that we perform. We run “lean manufacturing” and “one piece flow” through the manufacturing facility. We have built quality into every step of the production so as to ensure that the product is safe in the user’s hands, and we take this very seriously.

**CEOCFO:** What might you pick up from your stringent procedures that other companies might miss?

**Mr. Braun:** I think that this is addressed through our document control process, and gives us the ability to quarantine, or segregate something that goes wrong in production, and this is probably the most paramount piece of it. Let us say that you have a welding process for example. In our welding process, if we have an issue in the production of one of the frames, these controls would indicate when they were produced, who the operator was, what materials were being used, when the materials had been processed and tested, and it allows you to quarantine the batch produced during that production run. With this documentation, we are able to segregate anything that went wrong in production, fix the problem and keep record of it. With this type of record keeping, it is very intense,
but gives us the ability to historically track our production. One of the things that we pride ourselves on is that if you have a product made by us, regardless of how old it is, we still have appropriate replacement parts for that product, and if discontinued, we still would have the parts available for you to fix and repair your product. We also offer a conditional lifetime guarantee on the frames and much of the component level of the product, so we really have over-engineered the product to withstand a lifetime guarantee.

CEOCFO: Does the end user know Convaid?
Mr. Braun: The company has been around since 1976, so we have a very loyal customer following and very good brand recognition. I think in most cases, particularly now with the internet and various social media, the users of these products network heavily amongst each other, and this applies typically to the caregiver. Our user base communicates through networks, social media, educational organizations and non-profits. There are many organizations specific to different disabilities such as United Cerebral Palsy, Down Syndrome or Spina Bifida Association. These organizations are a way for the users and caregivers to communicate. We have very good brand recognition, and very good customer brand loyalty with Convaid, and I think if you go into other products, they might not be as brand loyal or brand aware as they are in this group, but certainly we are a very well-known brand at the end user level within the pediatric market.

CEOCFO: What is your geographic reach?
Mr. Braun: We now sell actively in over 25 export countries, the bulk of which is Europe, Japan, and Central and South America. A very large percentage of our business is obviously still in our domestic market, and we do well internationally as well.

CEOCFO: How do you decide on styles, colors and decoration?
Mr. Braun: A lot of the design elements really come from looking at other adjacent industries. For example, many of the frame shapes, designs and features come from inspiration from lightweight and racing bicycles. Many of the colors, textures, etc., for the user experience come from being connected with the kid side and witnessing what is popular, and what the popular colors and shapes are that make the product more interesting to the child. Also, there are different accessories that might work well, such as iPad or cell phone holders, or perhaps a drink holder for the parent pushing the wheelchair. We try to take elements that people would want to see in other products and incorporate them into the design of our wheelchair, making it very user friendly.

CEOCFO: What is ahead for Convaid?
Mr. Braun: Convaid is very much an innovation-driven, customer centric organization. We focus the bulk of our thinking on what the customer’s needs are, and what the customer requirements will be in the future. We have many focus groups, and we want to make sure that the product and company we are building today will help to build the future of our business. The customer is definitely the center and key to everything. We are looking at new product innovations, not only in the mobility space, but also through innovations in seating, car seats and transport mechanisms for people with disabilities, and we are also looking at bringing in any new technology that we possibly can find, and apply it to this business in order to keep it fresh and evolving as a business. As the CEO, I am never content with what we are doing. I am always looking to
better the product, the customer experience, and the employee experience. We really try to drive that through the entire organization.

**CEOCFO: What should people take away from reading the Convaid story?**

**Mr. Braun:** The part that people should take away after reading the Convaid story is the cultural aspect of the organization which I think is critical. We are involved within the community, through our community and non-profit volunteer work. We have made many donations and assisted those with hardships by providing them with wheelchairs they cannot afford. We are also very active in the community through education. I believe what has made the organization what it is today has a lot to do with the work we have done within the community. On any given day, you can witness Convaid being involved and helping others within the community. That is at the core of our company, and the products and user experience are critical, but I also believe that Convaid working with individuals with disabilities within the community has improved our customer experience and product design. This is definitely the big element of what brings the organization together, and this has created the branding of our company. Our mission includes helping others, improving children’s lives, and creating better mobility for people with disabilities. We enjoy making great products and being innovative with the design, but “community” is paramount to our organization.

*Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine*